

**199—33.5(476) Cost allocation manuals.** Every rate-regulated gas or electric public utility equaling or exceeding the filing threshold in any calendar year shall file with the board a cost allocation manual on or before September 1 of the following year. If the utility has not changed its cost allocation manual since the last filing on September 1, the utility shall file a letter with the board to that effect. Refer to subrule 33.5(3) for information on updating cost allocation manuals. In the event the utility has made only minor changes to its manual regarding new accounts or new affiliates, or has modified language, the utility may file only the pages affected. The filing shall include a cover letter explaining the pages being filed.

**33.5(1) Contents of manuals.** Each cost allocation manual must contain the following information:

*a. Nonutility activities.* A list, the location, and description of all nonutility activities as defined in Iowa Code section 476.72(3).

*b. Incidental activities.* A summary of activities that are incidental to the provision of utility services and minor in size.

*c. Resource identification.* An identification of the assets and expenses involved directly or indirectly, in whole or in part, to the provision of nonutility services as identified in subrules 33.4(1) and 33.4(2).

*d. Assignment methodology.* A description of the cost assignment methodology. This paragraph provides an overview, explanation, and justification of the details provided in paragraphs “e” through “h.”

*e. Assignment rationale.* A list showing the cost assignment method for each account. The list shall show for each account and subaccount identified in subrules 33.4(1) and 33.4(2) the basis for assigning costs in the account to utility and nonutility operations.

*f. Accounts and records.* A description of each account and record used by the utility for financial record keeping of nonutility services, including all subaccounts.

*g. Assignment basis.* An explanation of each assignment basis. This paragraph shall contain, for each assignment basis contained in paragraph “e,” a definition of the basis, an explanation of how the allocation factor is calculated, a description of each study and analysis used in developing the allocation factor, and the frequency with which each allocation factor is recalculated.

*h. Time reporting methods.* An explanation of the time reporting methods used. This paragraph shall indicate the type of time reporting (positive, exception, or study) used for each reporting organization (e.g., executive, residential sales, and external affairs), and a description of how the type of time reporting is done in that reporting organization.

*i. Training.* A description of the training programs used by the utility to implement and maintain its cost allocation process.

*j. Update process.* A description of the procedures used by the utility to (1) determine when an update is needed; (2) develop the update; and (3) provide the update to the board.

**33.5(2) Filing and approval of manuals.** The following procedure shall be used for the filing and approval of manuals.

*a. Filing.* Utilities meeting the filing threshold requirements shall file manuals on or before September 1 of the year following the year the threshold requirement was first met.

*b. Notice.* At the time of the initial filing and whenever a manual is updated, each utility shall mail or deliver a written notice to consumer advocate, local trade associations, and customers who have notified the utility in writing of their interest in the filing. The notice shall state that an objection may be filed with the board within 60 days of the filing of the manual with the board. The utility shall promptly provide copies of the manual upon request.

*c. Objections.* Any interested person may file an objection with the board within 60 days of the filing date.

*d. Docketing.* If the board finds that reasonable grounds exist to investigate the manual, the board will docket the filing as an investigation within 90 days of the date of filing. At the time of docketing, the board will set a procedural schedule which includes a date for an oral presentation and an opportunity to file comments. If the board finds that there is no reason to investigate, the board shall issue an order stating the reasons for the board’s decision within 90 days of the date of filing.

*e. Acceptance of manuals.* The board may accept, reject, or modify a utility's manual. However, any board decision is for accounting purposes only and is not binding in any other proceeding.

**33.5(3) *Updating of manuals.*** All affected sections and pages of a utility's manual shall be updated and filed with the board annually or within 60 days of any of the following conditions:

- a.* A new nonutility business is added, or an existing nonutility business is dropped;
- b.* An affiliate relationship changes;
- c.* Operations affecting nonutility businesses change sufficiently to warrant a new allocation method; or
- d.* Accounting practices change.

**33.5(4) *Reporting requirements—accounting tables.*** The reporting requirements in this subrule must be accompanied by a signed statement from an officer of the utility and an independent auditor certifying that, for the year completed, the utility has followed its manual and that the results fairly reflect the actual operations of the utility. Companies required to file cost manuals shall file in their annual reports and in electronic form tables showing for each account identified in subrules 33.4(1) and 33.4(2)(a) the account total; (b) the amount assigned to nonutility services; (c) the amount assigned to utility services; and (d) the value of the allocation factors used to assign costs to utility and nonutility services.